

EXHIBIT 46

Message

From: Lawrence Koh [lawrencekoh@google.com]
Sent: 12/12/2019 8:36:55 PM
To: Mike Marchak [marchak@google.com]
Subject: Fwd: ABK update (Dec 11 call with Armin)

FYI

----- Forwarded message -----

From: Karen Aviram Beatty <kaviram@google.com>
Date: Wed, Dec 11, 2019 at 4:08 PM
Subject: ABK update (Dec 11 call with Armin)
To: Purnima Kochikar <kochikar@google.com>, Lawrence Koh <lawrencekoh@google.com>, Ryan Wyatt <rwyatt@google.com>, Sunil Rayan <sunilrayan@google.com>, Simon Donovan <simondo@google.com>, David Ooley <davidoooley@google.com>, Marc Theermann <theermann@google.com>, Ron Zember <zember@google.com>, Andrey Donovan <adonov@google.com>, Shanna Prevé <shanna@google.com>, Tamar Fruchtman <tamarf@google.com>
Cc: Donald Harrison <harrison@google.com>

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TLDR: Based on the latest feedback from Armin, below is what I think would get the ABK xPA deal done. Knowing that BC approval is ultimately needed, are Play, Cloud, YT, and Ads (and finance!) comfortable with these asks? Please provide feedback [here](#).

Detail:

Just spoke to Armin. I "soft floated" the current proposal by him, which has been coming together for BC review. He did not react well. He did not like our new 5 year Cloud commit ask in order to fund the exclusive eSports license. He strongly prefers a 3 year construct across the board.

He also stressed that we can "recoup" \$15M/yr from advertising sponsorships that they will guarantee us on YT.

Here is what will most likely get a deal done:

	Year 1	Year 2	Year 3	Total	Funded by:
GCP Credits	20	20	20	60	Play
UAC Credits	35	35	35	105	Play
Co-Marketing	20	20	20	60	Play
					\$15M YT
eSports Licensing	40	45	50	135	\$85M Cloud
Total	115	120	125	360	

Items in **red** require BC approval. Total **funding** (and P&L allocation) for eSports needs to be determined. And of course, this group needs to be on board.

Google conditions for these terms include:

- Standard Hug developer obligations (sim-ship, title parity, quality)
- GCP Credits calculated as 2% of Play consumer spend (uncapped)
- UAC Credits calculated as \$1 credit for every \$3 ABK spends in UAC (capped at \$35M/year)
- Cloud commit of [\$150-200M] over 3 years (**Cloud team to confirm - what 3 yr commit is needed in order for Cloud to still fund eSports?**)
- Exclusive eSports distribution (broadcasting) license for YouTube
- DVIP commit of \$115M (ABK is OK extending this for each year but seems as if Google can only do 1 year DVIPs)

Other comments from Armin:

- ABK (Armin at least) refuses to engage on Stadia until the rest of these terms are agreed upon.
- He continues to be consistent that without a \$100M/year credits/cash payment, there is no deal (\$100M = 10% rev share off \$1B/year Play consumer spend base)
- That being said, Armin is specifically pushing for \$130M in credits/cash for each of 3 years - claiming that the total is actually \$100M/year because we "recoup" \$15M in YT adv sponsorships and YT can monetize the eSports content for another \$15M/year. (YT teams do not agree with this assessment!). Because ABK is willing to "guarantee" the \$15M in YT adv sponsorships, perhaps we'd consider \$115M total - which is the proposal above.
- ABK is getting a ton of pressure from Amazon/Twitch to agree to a deal with them ASAP. (Note: TK and Bobby have a meeting scheduled for 12/19. BC review also scheduled for 12/19.)
- Another option we have is to remove the eSports Licensing all together. In this case, ABK would commit to a much smaller Cloud deal (eg \$20-40M commit) and still require \$100M in credits. If this deal falls through, he claims that they will launch their own mobile distribution platform (partnering with another "major mobile company" - presume Epic), double down with Amazon/Twitch (or MSFT) for Cloud/eSports, and pull away from Stadia.
- All this being said, I do think they really want to do this deal with Google (vs competition) and vastly expand the partnership btw our companies (inc press around Cloud partnership, etc).

I have copied this email **HERE** into this doc. To avoid email swirl, please add comments/questions in this doc, so we can adjust the proposal and address questions more easily!

Thanks,
Karen

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